



# Environmental Protection

## RECOMMENDED FY26 BUDGET

\$49,216,826

## FULL TIME EQUIVALENTS

134.50

 JON I. MONGER, DIRECTOR

## MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to enhance the quality of life in our community by protecting and improving Montgomery County's air, water, and land in a sustainable, innovative, inclusive, and industry-leading way while fostering smart growth, a thriving more sustainable economy, and healthy communities.

## BUDGET OVERVIEW

The total recommended FY26 Operating Budget for the Department of Environmental Protection is \$49,216,826, an increase of \$3,523,664 or 7.71 percent from the FY25 Approved Budget of \$45,693,162. Personnel Costs comprise 37.00 percent of the budget for 129 full-time position(s) and one part-time position(s), and a total of 134.50 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 63.00 percent of the FY26 budget.

The debt service for the Water Quality Protection Fund is appropriated in the Debt Service Fund and is, therefore, not displayed in this section. To pay for the debt service, a transfer of funds from the Water Quality Protection Fund to the Debt Service Fund of \$10,865,220 is required in FY26 for Water Quality Protection Bonds and long-term financing offered by the State of Maryland.



In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Greener County**
-  **Effective, Sustainable Government**

## INITIATIVES

-  Add a new position to work on the Best Management Practice inspection program, focusing on stormwater management structures on private property.
-  Add funds to initiate outreach and communications to residents and affected businesses regarding the County's amended bag fee law. Under the revised law, plastic bags may no longer be offered at most retail establishments as of January 1, 2026, and

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the fee per non-plastic bag increases from \$0.05 to \$0.10.

- ★ Increase Funding for Clean Water Montgomery Grants to help property owners manage stormwater runoff on their properties and earn credit toward the County's MS4 Permit. Demand for the program continues to exceed available funding.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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- ★ Established regulations and launched a new electric leaf blower campaign and a related rebate program. Launched a county-wide campaign to inform the public about the ban on the sale of gas-powered leaf blowers and the upcoming ban on the use of gas-powered leaf blowers, and developed a new online application portal to manage rebate program.
- ★ Continued to grow and improve the annual Montgomery County Energy Summit. Attracting 200-300 attendees each year, this educational conference and networking event is DEP's flagship event to educate and engage with the commercial and multifamily building community on sustainable green building and County energy requirements. DEP continues to build the event's reach year-over-year with new partnerships, keynote speakers, and cutting-edge educational opportunities.
- ★ Won a grant for \$2.7 million for up to 17 electric vehicle charging stations from the Maryland Department of Transportation through the Carbon Reduction Program. Funding will support the installation of EV charging stations at 17 county-owned locations, including parking garages, Park-N-Ride lots, libraries, and community centers.

## PROGRAM CONTACTS

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Contact Vicky Wan of the Department of Environmental Protection at 240-777-7722 or Richard H. Harris of the Office of Management and Budget at 240-777-2795 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

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Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY25 estimates reflect funding based on the FY25 Approved Budget. The FY26 and FY27 figures are performance targets based on the FY26 Recommended Budget and funding for comparable service levels in FY27.

## PROGRAM DESCRIPTIONS

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### ★ Administration

The Office of the Deputy Director provides for overall management of departmental programs to ensure safe and efficient operations, including contract administration management for the department, continuity of operations, oversight of operational programs at the County's Integrated Solid Waste Management System (ISWMS), and communications and public engagement.

The Office provides strategic direction and support on IT systems and infrastructure for departmental operations and programs, and oversees the human resources and communication and engagement activities. The Office provides for management of partnerships with multiple County departments with which the department cooperates, including Permitting Services, Transportation, and General Services, as well as external groups including faith-based institutions, the Maryland-National Capital Park and Planning Commission, and the WSSC Water. The DEP Communications team is responsible for increasing media hits, growing an audience on social media, improving the DEP web experience, and reaching new and diverse audiences through public

engagement.

The Office is responsible for operating and capital budget development, revenue generation from the Water Quality Protection Charge and Solid Waste Fees, and overall financial management. DEP's programs and operations are funded through the General Fund, the Water Quality Protection Fund, and the Solid Waste Enterprise Funds.

The work includes the following focus areas:

- Maintain all funds in a financially prudent manner and maintain structural stability given the responsibilities and risks associated with all programs and operations.
- Develop and evaluate operating and capital budgets in a strategic and economically responsible manner.
- Perform detailed financial analysis during the annual rate calculation process for a more equitable rate structure, structural stability, budget flexibility, and financial risk mitigation.
- Review and develop policies and procedures that strengthen internal controls.
- Collaborate with organization stakeholders using metrics that assess the strategic health of the business, the alignment of programs with the business strategy, and the balance of the program relative to business needs.
- Use quantitative and financial models and forecasting tools to analyze the fiscal impact of proposed strategic changes. Assist with execution of procurement actions on a timely basis and at the best possible value.
- Facilitate funding for the maintenance of computer/automation equipment, and related technologies in a cost-effective and efficient manner.

FY26 Recommended Changes	Expenditures	FTEs
<b>FY25 Approved</b>	<b>2,045,184</b>	<b>9.05</b>
Increase Cost: Restore One-Time Lapse Increase	469,612	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (Water Quality Protection Fund)	60,254	0.20
Increase Cost: Finance Chargeback Adjustment	37,320	0.00
Add: Administrative Services Program Support	33,753	0.00
Add: New Internship Program	19,224	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	11,855	0.00
Increase Cost: Communications & Public Engagement	5,445	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund)	(257,704)	(1.10)
Decrease Cost: Lapse Adjustment	(720,337)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(528,199)	(2.10)
<b>FY26 Recommended</b>	<b>1,176,407</b>	<b>6.05</b>

## Energy, Climate, and Compliance

The Energy, Climate, and Compliance Division develops and implements policies and programs focused on reducing greenhouse gas emissions and enhancing the resilience of the County in the face of a changing climate, and enforces County laws and regulations related to air and water pollution, illegal dumping, noise control, and other environmental laws.

The Division engages with, and provides programs for:

- residential and commercial properties related to energy efficiency and the use of renewable energy, including the Benchmarking Law and Building Energy Performance Standards;
- engages with County residents through Montgomery Energy Connection to provide customized education on the benefits of energy efficiency, availability of energy-related programs, and opportunities for energy assistance; promotes the adoption of electric and other low-emission vehicles;
- advocates for energy policies at the State and Federal level that support the County's climate goals;
- and works to ensure that the needs of under-served communities that will feel the impacts of climate change more acutely are considered in all aspects of the Division's work.

In addition, the Division works with other County departments and agencies, community-based organizations, and others to increase their capacity to develop and implement climate solutions as part of their operations.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Percent of commercial buildings in compliance with the building benchmarking law <sup>1</sup>	93.9%	89.2%	90.0%	90.0%	90.0%
Average days to close environmental cases	36.0	39.3	36.3	37.0	37.5
Percent of customers rating themselves as satisfied with DEP's response to environmental complaints	86.0%	78.0%	82.0%	82.0%	81.0%

<sup>1</sup> Amendments to the benchmarking law doubled the number of covered buildings in FY23.

FY26 Recommended Changes	Expenditures	FTEs
<b>FY25 Approved</b>	<b>6,158,344</b>	<b>20.01</b>
Increase Cost: Restore One-Time Lapse Increase	284,361	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund)	58,189	0.30
Increase Cost: Energy Summit	31,436	0.00
Decrease Cost: Lapse Adjustment	(112,306)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	353,008	0.00
<b>FY26 Recommended</b>	<b>6,773,032</b>	<b>20.31</b>

## Watershed Restoration

The Watershed Restoration Division leads the County's efforts to improve stream health and water quality through the targeted planning, design, construction, inspection, and maintenance of best management practices (BMP) built to manage stormwater runoff. The Watershed Restoration Division supports watershed-based monitoring and reporting to achieve County stream protection goals (Montgomery County Code Chapter 19, Article IV) and comply with the Federal Clean Water Act NPDES Municipal Separate Storm Sewer System (MS4) permit. Staff conduct baseline stream monitoring, storm drain discharge monitoring, and public outreach activities that increase awareness and promote citizen involvement in stream stewardship. The program also assesses land development impacts on water resources and the effectiveness of BMPs that mitigate those impacts within the County's designated "Special Protection Areas." The Division implements programs to extend stewardship and BMPs beyond streams and facilities by targeting private property owners. These programs include Tree Montgomery (Chapter 55, Article 3), RainScapes, and Pet Waste. The Division oversees the carry-out bag tax program, which helps address issues with litter in streams.

The Watershed Restoration Division successfully implements these programs through extensive partnerships with the Maryland

Department of Natural Resources; Maryland Department of the Environment; Maryland Department of Agriculture; Montgomery County Public Schools; Montgomery County Department of Transportation, Montgomery County Department of General Services; Maryland-National Capital Park and Planning Commission; the Towns of Chevy Chase, Kensington, Somerset and Poolesville; the Villages of Chevy Chase and Friendship Heights; watershed organizations; homeowner associations; businesses; and private property owners. The long-term goal is to protect and improve water resources for Montgomery County residents and the Chesapeake Bay.

Revenue for this program is generated by the Water Quality Protection Charge, applied to all residential and non-residential properties except for those owned by the State and County Government and those in the cities of Gaithersburg, Rockville, and Takoma Park. Revenue from the carry-out bag tax is also provided to support these programs.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Percent of stormwater management triennial inspections completed <sup>1</sup>	99.6%	93.0%	96.0%	96.0%	95.0%
Percent of stormwater management facility maintenance work orders completed	85.0%	97.0%	88.0%	90.0%	92.0%

<sup>1</sup> Does not include triennial inspections of best management practices on Single Family Residential (SFR) properties which are covered under a separate inspection program.

FY26 Recommended Changes	Expenditures	FTEs
<b>FY25 Approved</b>	<b>37,489,634</b>	<b>103.63</b>
Increase Cost: Department of Transportation Storm Drains Chargeback	763,358	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (Water Quality Protection Fund)	507,983	2.85
Increase Cost: Support for Water Quality Work at the Maryland-National Capital Park and Planning Commission	372,248	0.00
Add: Outreach on Amended Bag Fee Law	250,000	0.00
Increase Cost: Inspection Services	246,500	0.00
Increase Cost: Above Ground Maintenance	209,241	0.00
Add: Clean Water Montgomery Grants	150,000	0.00
Add: New Position for Maintenance Compliance Program (Permitting and Code Enforcement Inspector III)	147,367	1.00
Increase Cost: Below Ground Maintenance	134,433	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	29,481	0.00
Increase Cost: Office of Agriculture Chargeback	26,757	0.00
Increase Cost: Move Spongy Moth Program to Water Quality Protection Fund From General Fund	15,000	0.00
Increase Cost: Department of Finance Chargeback	7,000	0.00
Shift: Move Spongy Moth Program From General Fund to Water Quality Protection Fund	(10,000)	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund)	(241,067)	(1.44)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,169,452	2.10
<b>FY26 Recommended</b>	<b>41,267,387</b>	<b>108.14</b>

## BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
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### COUNTY GENERAL FUND

## BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
EXPENDITURES					
Salaries and Wages	2,657,918	3,144,456	3,072,070	3,122,889	-0.7 %
Employee Benefits	685,575	804,654	775,794	872,717	8.5 %
<b>County General Fund Personnel Costs</b>	<b>3,343,493</b>	<b>3,949,110</b>	<b>3,847,864</b>	<b>3,995,606</b>	<b>1.2 %</b>
Operating Expenses	5,987,987	5,733,811	5,733,811	5,843,679	1.9 %
<b>County General Fund Expenditures</b>	<b>9,331,480</b>	<b>9,682,921</b>	<b>9,581,675</b>	<b>9,839,285</b>	<b>1.6 %</b>
PERSONNEL					
Full-Time	64	62	62	61	-1.6 %
Part-Time	0	0	0	0	—
FTEs	31.65	29.00	29.00	26.76	-7.7 %
REVENUES					
Other Licenses/Permits	25,900	20,000	20,000	20,000	—
Other Charges/Fees	576,801	60,400	60,400	60,400	—
Other Fines/Forfeitures	18,850	15,000	15,000	15,000	—
Tree Canopy	636,870	1,500,000	1,500,000	1,500,000	—
<b>County General Fund Revenues</b>	<b>1,258,421</b>	<b>1,595,400</b>	<b>1,595,400</b>	<b>1,595,400</b>	<b>—</b>

## WATER QUALITY PROTECTION FUND

EXPENDITURES					
Salaries and Wages	8,532,126	9,519,933	9,155,972	10,766,109	13.1 %
Employee Benefits	2,428,306	2,924,749	2,804,499	3,449,602	18.0 %
<b>Water Quality Protection Fund Personnel Costs</b>	<b>10,960,432</b>	<b>12,444,682</b>	<b>11,960,471</b>	<b>14,215,711</b>	<b>14.2 %</b>
Operating Expenses	21,608,427	23,565,559	23,565,559	25,161,830	6.8 %
<b>Water Quality Protection Fund Expenditures</b>	<b>32,568,859</b>	<b>36,010,241</b>	<b>35,526,030</b>	<b>39,377,541</b>	<b>9.4 %</b>
PERSONNEL					
Full-Time	65	67	67	68	1.5 %
Part-Time	1	1	1	1	—
FTEs	101.84	103.69	103.69	107.74	3.9 %
REVENUES					
Bag Tax	2,933,918	2,700,000	2,700,000	2,568,000	-4.9 %
Water Quality Protection Charge	47,507,468	49,639,440	49,639,440	53,481,687	7.7 %
Investment Income	2,314,887	1,987,000	2,100,510	1,768,850	-11.0 %
Other Charges/Fees	257,774	47,500	47,500	47,500	—
Miscellaneous Revenues	62,306	0	0	0	—
<b>Water Quality Protection Fund Revenues</b>	<b>53,076,353</b>	<b>54,373,940</b>	<b>54,487,450</b>	<b>57,866,037</b>	<b>6.4 %</b>

## GRANT FUND - MCG

EXPENDITURES					
Salaries and Wages	0	0	0	0	—

## BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
Employee Benefits	0	0	0	0	—
<b>Grant Fund - MCG Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	1,331,736	0	0	0	—
<b>Grant Fund - MCG Expenditures</b>	<b>1,331,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
State Grants	182,978	0	0	0	—
Federal Grants	485,555	0	0	0	—
Miscellaneous Revenues	470,134	0	0	0	—
<b>Grant Fund - MCG Revenues</b>	<b>1,138,667</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>

## DEPARTMENT TOTALS

<b>Total Expenditures</b>	<b>43,232,075</b>	<b>45,693,162</b>	<b>45,107,705</b>	<b>49,216,826</b>	<b>7.7 %</b>
<b>Total Full-Time Positions</b>	<b>129</b>	<b>129</b>	<b>129</b>	<b>129</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>—</b>
<b>Total FTEs</b>	<b>133.49</b>	<b>132.69</b>	<b>132.69</b>	<b>134.50</b>	<b>1.4 %</b>
<b>Total Revenues</b>	<b>55,473,441</b>	<b>55,969,340</b>	<b>56,082,850</b>	<b>59,461,437</b>	<b>6.2 %</b>

## FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
	<b>FY25 ORIGINAL APPROPRIATION</b>	<b>9,682,921 29.00</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Restore One-Time Lapse Increase [Energy, Climate, and Compliance]	284,361	0.00
Increase Cost: FY26 Compensation Adjustment	180,984	0.00
Increase Cost: Annualization of FY25 Compensation Increases	91,356	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund) [Energy, Climate, and Compliance]	58,189	0.30
Increase Cost: Elimination of One-Time Items Approved in FY25	56,345	0.00
Increase Cost: Energy Summit [Energy, Climate, and Compliance]	31,436	0.00
Increase Cost: Annualization of FY25 Personnel Costs	29,503	0.00
Increase Cost: Motor Pool Adjustment	17,025	0.00
Increase Cost: Retirement Adjustment	13,180	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	11,855	0.00
Increase Cost: Communications & Public Engagement [Administration]	5,445	0.00



## FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Printing and Mail Adjustment	(2,238)	0.00
Shift: Move Spongy Moth Program From General Fund to Water Quality Protection Fund [Watershed Restoration]	(10,000)	0.00
Decrease Cost: Lapse Adjustment [Energy, Climate, and Compliance]	(112,306)	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund) [Watershed Restoration]	(241,067)	(1.44)
Shift: Adjust FTE Allocation to Better Align With Responsibilities (General Fund) [Administration]	(257,704)	(1.10)
<b>FY26 RECOMMENDED</b>	<b>9,839,285</b>	<b>26.76</b>

### WATER QUALITY PROTECTION FUND

<b>FY25 ORIGINAL APPROPRIATION</b>	<b>36,010,241</b>	<b>103.69</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Outreach on Amended Bag Fee Law [Watershed Restoration]	250,000	0.00
Add: Clean Water Montgomery Grants [Watershed Restoration]	150,000	0.00
Add: New Position for Maintenance Compliance Program (Permitting and Code Enforcement Inspector III) [Watershed Restoration]	147,367	1.00
Add: Administrative Services Program Support [Administration]	33,753	0.00
Add: New Internship Program [Administration]	19,224	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Department of Transportation Storm Drains Chargeback [Watershed Restoration]	763,358	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (Water Quality Protection Fund) [Watershed Restoration]	507,983	2.85
Increase Cost: Restore One-Time Lapse Increase [Administration]	469,612	0.00
Increase Cost: FY26 Compensation Adjustment	423,979	0.00
Increase Cost: Support for Water Quality Work at the Maryland-National Capital Park and Planning Commission [Watershed Restoration]	372,248	0.00
Increase Cost: Inspection Services [Watershed Restoration]	246,500	0.00
Increase Cost: Above Ground Maintenance [Watershed Restoration]	209,241	0.00
Increase Cost: Motor Pool Adjustment	178,427	0.00
Increase Cost: Annualization of FY25 Compensation Increases	177,258	0.00
Increase Cost: Below Ground Maintenance [Watershed Restoration]	134,433	0.00
Shift: Adjust FTE Allocation to Better Align With Responsibilities (Water Quality Protection Fund) [Administration]	60,254	0.20
Increase Cost: Annualization of FY25 Lapsed Positions	40,533	0.00
Increase Cost: Finance Chargeback Adjustment [Administration]	37,320	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Watershed Restoration]	29,481	0.00
Increase Cost: Retirement Adjustment	29,109	0.00
Increase Cost: Office of Agriculture Chargeback [Watershed Restoration]	26,757	0.00
Increase Cost: Move Spongy Moth Program to Water Quality Protection Fund From General Fund [Watershed Restoration]	15,000	0.00
Increase Cost: Printing and Mail Adjustment	12,092	0.00
Increase Cost: Department of Finance Chargeback [Watershed Restoration]	7,000	0.00



## FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Elimination of One-Time Items Approved in FY25	(110,000)	0.00
Decrease Cost: Annualization of FY25 Personnel Costs	(143,292)	0.00
Decrease Cost: Lapse Adjustment [Administration]	(720,337)	0.00
<b>FY26 RECOMMENDED</b>	<b>39,377,541</b>	<b>107.74</b>

## PROGRAM SUMMARY

Program Name	FY25 APPR Expenditures	FY25 APPR FTEs	FY26 REC Expenditures	FY26 REC FTEs
Administration	2,045,184	9.05	1,176,407	6.05
Energy, Climate, and Compliance	6,158,344	20.01	6,773,032	20.31
Watershed Restoration	37,489,634	103.63	41,267,387	108.14
<b>Total</b>	<b>45,693,162</b>	<b>132.69</b>	<b>49,216,826</b>	<b>134.50</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY25 Total\$	FY25 FTEs	FY26 Total\$	FY26 FTEs
<b>WATER QUALITY PROTECTION FUND</b>					
CIP	Capital Fund	2,912,717	18.90	3,092,953	18.65

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY26	FY27	FY28	FY29	FY30	FY31
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY26 Recommended</b>	<b>9,839</b>	<b>9,839</b>	<b>9,839</b>	<b>9,839</b>	<b>9,839</b>	<b>9,839</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>9,839</b>	<b>9,860</b>	<b>9,860</b>	<b>9,860</b>	<b>9,860</b>	<b>9,860</b>
<b>WATER QUALITY PROTECTION FUND</b>						
<b>EXPENDITURES</b>						
<b>FY26 Recommended</b>	<b>39,378</b>	<b>39,378</b>	<b>39,378</b>	<b>39,378</b>	<b>39,378</b>	<b>39,378</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY26</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY26	FY27	FY28	FY29	FY30	FY31
New positions in the FY26 budget are generally assumed to be filled at least three months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Elimination of One-Time Items Recommended in FY26</b>	<b>0</b>	<b>(57)</b>	<b>(57)</b>	<b>(57)</b>	<b>(57)</b>	<b>(57)</b>
Items recommended for one-time funding in FY26, including a vehicle for a new position, will be eliminated from the base in the outyears.						
<b>Bag Tax Implemenation Outreach</b>	<b>0</b>	<b>0</b>	<b>(100)</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
Outreach and communications surrounding the amended bag fee law will run through FY28.						
<b>Labor Contracts</b>	<b>0</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>39,378</b>	<b>39,404</b>	<b>39,304</b>	<b>39,154</b>	<b>39,154</b>	<b>39,154</b>

## ANNUALIZATION OF FULL PERSONNEL COSTS

	FY26 Recommended		FY27 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
New Position for Maintenance Compliance Program (Permitting and Code Enforcement Inspector III)	90,065	1.00	120,086	1.00
<b>Total</b>	<b>90,065</b>	<b>1.00</b>	<b>120,086</b>	<b>1.00</b>

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
FISCAL PROJECTIONS	FY25 Estimate	FY26 CE Rec	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.60%	2.65%	2.68%	2.41%	2.19%	2.19%	2.26%
Investment Income Yield	4.75%	4.10%	3.75%	3.25%	3.00%	3.00%	3.00%
Number of Equivalent Residential Units (ERUs) Billed	368,000	368,000	368,000	368,000	368,000	368,000	368,000
Water Quality Protection Charge (\$/ERU)	\$136.50	\$147.00	\$157.50	\$168.00	\$178.50	\$189.00	\$199.50
Target Debt Service Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25
<b>BEGINNING FUND BALANCE</b>	<b>25,209,321</b>	<b>13,689,761</b>	<b>9,020,801</b>	<b>7,903,868</b>	<b>8,353,103</b>	<b>8,132,710</b>	<b>10,241,370</b>
<b>REVENUES</b>							
Charges For Services	49,639,440	53,481,687	57,323,950	61,166,188	65,008,418	68,850,659	72,692,887
Bag Tax Receipts	2,700,000	2,568,000	2,568,000	2,368,000	2,368,000	2,368,000	2,368,000
Miscellaneous	2,148,010	1,816,350	1,624,900	1,414,580	1,309,420	1,309,420	1,309,420
<b>Subtotal Revenues</b>	<b>54,487,450</b>	<b>57,866,037</b>	<b>61,516,850</b>	<b>64,948,768</b>	<b>68,685,838</b>	<b>72,528,079</b>	<b>76,370,307</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(12,871,980)</b>	<b>(13,705,520)</b>	<b>(15,773,560)</b>	<b>(18,713,150)</b>	<b>(22,716,660)</b>	<b>(25,186,410)</b>	<b>(28,465,170)</b>
Transfers To General Fund	(2,483,960)	(2,840,300)	(2,932,940)	(2,929,330)	(2,924,220)	(2,925,590)	(2,929,370)
Transfers to Debt Service Fund (Non-Tax)	(10,388,020)	(10,865,220)	(12,840,620)	(15,783,820)	(19,792,440)	(22,260,820)	(25,535,800)
<b>WQPF Required Debt Service</b>	<b>(9,446,100)</b>	<b>(9,921,900)</b>	<b>(11,897,300)</b>	<b>(14,841,900)</b>	<b>(18,849,400)</b>	<b>(21,318,300)</b>	<b>(26,478,200)</b>
<b>TOTAL RESOURCES</b>	<b>66,824,791</b>	<b>57,850,278</b>	<b>54,764,092</b>	<b>54,139,486</b>	<b>54,322,282</b>	<b>55,474,379</b>	<b>58,146,508</b>
<b>CIP CURRENT REVENUE APPROPRIATION PSP OPER. BUDGET APPROPRIATION EXP'S.</b>	<b>(17,609,000)</b>	<b>(9,451,936)</b>	<b>(6,402,000)</b>	<b>(5,483,000)</b>	<b>(6,109,000)</b>	<b>(5,137,000)</b>	<b>(5,137,000)</b>
Operating Budget	(35,526,030)	(39,377,541)	(39,377,541)	(39,377,541)	(39,377,541)	(39,377,541)	(39,377,541)
<b>FFIs (Future Fiscal Impacts) Requested &amp; Projected</b>							
CPI - OE Adjustment	0	0	(674,337)	(637,522)	(590,291)	(598,899)	(631,771)
Outreach for Amended Bag Fee law	0	0	0	100,000	250,000	250,000	250,000
Elimination of one-time items	0	0	57,302	57,302	57,302	57,302	57,302
CPI - PC Adjustment	0	0	(380,981)	(362,954)	(337,375)	(344,204)	(363,139)
Annualizations of New Positions	0	0	(30,021)	(30,021)	(30,021)	(30,021)	(30,021)
Labor Contracts	0	0	(52,646)	(52,646)	(52,646)	(52,646)	(52,646)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(35,526,030)</b>	<b>(39,377,541)</b>	<b>(40,458,224)</b>	<b>(40,303,382)</b>	<b>(40,080,572)</b>	<b>(40,096,008)</b>	<b>(40,147,816)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(53,135,030)</b>	<b>(48,829,477)</b>	<b>(46,860,224)</b>	<b>(45,786,382)</b>	<b>(46,189,572)</b>	<b>(45,233,008)</b>	<b>(45,284,816)</b>
<b>ACFR YEAR END FUND BALANCE</b>	<b>13,689,761</b>	<b>9,020,801</b>	<b>7,903,868</b>	<b>8,353,103</b>	<b>8,132,710</b>	<b>10,241,370</b>	<b>12,861,691</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>20.5%</b>	<b>15.6%</b>	<b>14.4%</b>	<b>15.4%</b>	<b>15.0%</b>	<b>18.5%</b>	<b>22.1%</b>
<b>NET REVENUE</b>	<b>16,477,460</b>	<b>15,648,196</b>	<b>18,125,686</b>	<b>21,716,056</b>	<b>25,681,046</b>	<b>29,506,481</b>	<b>33,293,121</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.74</b>	<b>1.58</b>	<b>1.52</b>	<b>1.46</b>	<b>1.36</b>	<b>1.38</b>	<b>1.26</b>
<b>Assumptions:</b> 1. These projections are based on the County Executive's recommended operating budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program. 3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY27 and FY31 have been incorporated in the future fiscal impact (FFI) rows. 4. The Operating Budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in 2021. Debt service on bonds and loans that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. 5. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation. 6. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs. 7. The Water Quality Protection fund balance minimum policy target is 5% of resources.							

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